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CARR & FERRELL LLP 2200 GENG ROAD PALO ALTO, CA 94303			EXAMINER APPLE, KIRSTEN SACHWITZ	
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Art Unit: 3694



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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 10431196

Filing Date: 7 May 2003

Appellant(s): G. Victor Treyz et al.

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G. Victor Treyz, Esq., For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 3 June 2008 appealing from the Office action mailed 5 August 2007.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

The following is a listing of the evidence (e.g., patents, publications, Official Notice, and admitted prior art) relied upon in the rejection of claims under appeal.

Hultgren, US Patent 6,868,391

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims. This is a verbatim copy of the final rejection mailed on 5 August 2007.

**DETAILED ACTION**

*Response to Arguments*

***Claim Rejections - 35 USC § 102***

The Examiner has read and reviewed all of the information provided by the Applicant.

The examiner rejects as final claims 1-8 & 10-11 under 35 USC 102.

The Applicant attention is re-drawn to the following:

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-8 & 10-11 are rejected under 35 U.S.C. 102(e) as being anticipated by Hultgren  
US Patent 6,868,391 B1.

**Re claim 1:** Hultgren discloses:

*A method for settling an electronic transaction {see Hultgren “payment method”},  
comprising the steps of:  
a customer providing a merchant with a customer identifier {see Hultgren, Figure 3A, item  
300},*

*the merchant sending the customer identifier and a transaction amount to a settlement house {see Hultgren, Figure 2, item 206},*

*the settlement house contacting the customer {see Hultgren, Figure 3B, item 328},*

*the customer selecting a payment method and transmitting the selected payment method to the settlement house {see Hultgren, Figure 3B, item 306},*

*the settlement house sending the transaction amount and customer identifier to a financial service provider associated with the payment method {see Hultgren, Figure 3B, item 342 & Figure 3C, Item 344},*

*if the electronic transaction is approved by the financial service provider, {see Hultgren, Figure 3A, Item 316},*

*sending an approval to the settlement house {see Hultgren, Figure 3A, item 320};*

*the settlement house sending the approval to the customer {see Hultgren, Figure 3B, item 326};*

*the customer approving the transaction amount {see Hultgren, Figure 3B, item 330}; and*

*the settlement house finalizing the electronic transaction with the financial service provider and the merchant {see Hultgren, Figure 3C, item 344 & 346}*

**Re claim 2:** Hultgren discloses:

*Settlement house finalized the electronic transaction with a merchant's financial service provider {see Hultgren, Figure 3C, item 348}*

**Re claim 3:** Hultgren discloses:

*Financial service provider is a bank where customer has account {see Hultgren, Column 4, line 23-24}*

**Re claim 4:** Hultgren discloses:

*Financial service provider is a credit provider where customer has account {see Hultgren, Column 4, line 24-25}*

**Re claim 5:** Hultgren discloses:

*Customer identifier is account number {see Hultgren, Column 5, line 59-62 & Column 14, line 15}*

**Re claim 6:** Hultgren discloses:

*Customer identifier is customer name {see Hultgren, Column 14, line 15}*

**Re claim 7:** Hultgren discloses:

*Customer uses mobile communication {see Hultgren, Figure 1, item 60}*

**Re claim 8:** Hultgren discloses:

*Mobile communication is Mobile telephone {see Hultgren, Figure 1, item 60}*

**Re claim 10:** Hultgren discloses:

*Payment method is credit card {see Hultgren, Column 1, line 22}*

**Re claim 11:** Hultgren discloses:

*Payment method is debit card {see Hultgren, Column 1, line 22}*

### ***Claim Rejections - 35 USC § 103***

The Examiner has read and reviewed all of the information provided by the Applicant.

The examiner rejects as final claim 9 & 12 under 35 USC 103.

The Applicant attention is re-drawn to the following:

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter

Art Unit: 3694

sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 9 & 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hultgren US Patent 6,868,391 B1 in view of official notice.

**Re claim 9:**

*Mobile communication is handheld computing device*

*{The examiner argues official notice that one of ordinary skill in art at the time of the invention would substitute a handheld computing device such as a PDA to be used in place of a mobile phone. Many mobile phones at the time of the invention had both capabilities}*

Although Hultgren does not specifically have a handheld computing device, official notice clearly explains that it would be obvious to substitute a PDA for a mobile phone.

It is clear that one would be motivated to give multiple options and easy the process for the user.

**Re claim 12:** Hultgren discloses:

*If the electronic transaction is not approved by the financial service provider, the customer selecting an alternative payment method {The examiner argues official notice that one of ordinary skill in art at the time of the invention would know if one payment method does not work the customer has the option to pay by another payment method. Many times if the credit card transaction does not work they can pay by cash or check or another credit or debit card.}*

Although Hultgren does not specifically have another payment method, official notice clearly explains that it would be obvious to add this limitation.

It is clear that one would be motivated to give multiple options and easy the process for the user.

**(10) Response to Argument**

**Argument for Independent Claim 1 and its Dependent Claims 2-14**

Appellant argues 1<sup>st</sup> that “Hultgren does not teach the merchant sending the customer identifier and a transaction amount to a settlement house.”

The Examiner refutes the argument made by the Appellant and draws the attention to Hultgren, Figure 3A, item 300. Clearly a customer ID is provided this ID is used to confirm the customer which can be done at any location and have the same function. There are many ID that could work and this is simply a matter of design choice, a PIN number, a fingerprint, a account number, a coded account number, a drivers license, the examiner go on and on with well know “customer Ids” in the art – all of which read on the current claim. Hultgren has various embodiment of his invention the second embodiment has location of the customer being identified from the cell phone and predetermining geography proximity as an extra security feature. In the 2<sup>nd</sup> example Hultgren explains that “the presence of a credit card or check is not required for this transaction” (Hultgren, column 11, line 45-46) making it clear that in the 1st example the ID was required – as the examiner has always maintained. The final note the examiner would like to point out is that it is clear in first embodiment of Hultgren that after a merchant checks a customer ID the merchant verifies the information from the settlement house including transaction amount.

Appellant argues 2<sup>nd</sup> that “Hultgren does not teach selecting a payment method”

The examiner has already agreed that she has not directly found this teaching in Hultgren and uses Official Notice to teach “selecting a payment method.” The Appellant additionally argued against the use of Official Notice. The examiner believes the limitation of “selecting a payment method” is very well know – not only in the art but by anyone with a credit card or bank account. However, in light of the argument the examiner has supplied a reference to show “selecting a payment method” for the record to make it crystal clear. See Williams US Patent 5,815,657. As an extra note there are 370 Patents that have “Select Payment Method” and therefore lots of other prior art that would also show this limitation.

In summary the examiner would like to express while the Appellant used many pages essentially they only had two main argument that the prior art did not teach “merchant sending



Art Unit: 3694

the customer ID and transaction amount to the settlement house” and “Hultgren does not teach selecting a payment method”. Not only does the examiner believe these are contained in Holtgren she strongly believe anyone that has used a credit card at a merchant has preformed these steps. When you go to a grocery store you select debit or credit (“payment method”) and give the merchant your credit card (your first ID is the credit card they also sometimes check a second ID such as driver license for extra security) this and the amount is transferred to a settlement house. In other words these limitations that are being argued so strongly are the currently process of millions of transactions happening all of the world every day.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner’s answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Kirsten S Apple/

Kirsten Sachwitz Apple  
Examiner  
Art Unit 3694

Conferees:

/James P Trammell/

Supervisory Patent Examiner, Art Unit 3694

/Mary Cheung/

Primary Examiner, Art Unit 3694

Application/Control Number: 09/851,553  
Art Unit: 3694

Page 10

Mary Cheung, Primary Examiner